

1999 DRAFTING REQUEST

Assembly Substitute Amendment (ASA-AB(LRBx4817/1))

Received: **03/28/2000**

Received By: **nilsepe**

Wanted: **Today**

Identical to LRB:

For: **Jeff Stone (608) 26643590**

By/Representing: **Mike Prentiss**

This file may be shown to any legislator: NO

Drafter: **nilsepe**

May Contact:

Alt. Drafters: **jkreye**

Subject: **Tax - property
Transportation - airports**

Extra Copies: **TNF**

Pre Topic:

No specific pre topic given

Topic:

Property tax exemption for air carrier having hub terminal in this state; GPR and SEG for aviation activities

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	nilsepe 03/28/2000	gilfokm 03/28/2000		_____			
/1			jfrantze 03/28/2000	_____	lrb_docadmin 03/28/2000	lrb_docadmin 03/28/2000	

FE Sent For:

<END>

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I?	nilsepe	1-3-28 kmg	03/28	3/28			

FE Sent For:

<END>

Mike Prentiss to ci

ASA - AB (4817/1)

= use Air Wisconsin definitions (a+b) from 50480

hub terminal

= 50462/4 - hold harmless provisions (SEC & CPR
Contributions) begins 1/2003.



50506/1

LRBs0462/4

JK&PEN/kmg/cmh/cjs:hmh

Now

PEN & JK stays

ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 801 (LRB-4817/1)

d-note

March 23, 2000 - Offered by Representatives STONE, PLALE, RILEY, JENSEN and GARD.

WPO: check auto refs.

insert

1 **AN ACT to repeal 20.395 (2) (dq); to amend 20.395 (4) (aq), 20.395 (9) (rd), 20.395**
 2 **(9) (td), 76.02 (1) and 78.55 (1); and to create 20.395 (2) (dc), 20.395 (2) (dr),**
 3 **20.395 (2) (dt) and 70.11 (40) of the statutes; relating to:** a property tax
 4 exemption for an air carrier ~~with~~ ^{that operates from} a hub ~~terminal~~ facility, creating an airport
 5 financing committee, granting rule-making authority and making
 6 appropriations.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

7 **SECTION 1.** 20.395 (2) (dc) of the statutes is created to read:
 8 **20.395 (2) (dc) Aeronautical activities matching supplement, statefunds.** From
 9 the general fund, a sum sufficient in each fiscal year equal to one-half of the
 10 difference between \$11,800,000 and the amounts received under par. (dr) during the
 11 preceding fiscal year, or equal to \$1,650,000, whichever is less, for the purposes of the
 12 state's share of airport projects under ss. 114.34 and 114.35; for developing air

1 marking and other air navigational facilities; for administration of the powers and
2 duties of the secretary of transportation under s. 114.31; for costs associated with
3 aeronautical activities under s. 114.31, except for the program under s. 114.31 (3) (b);
4 and for the administration of other aeronautical activities, except aircraft
5 registration under s. 114.20, authorized by law. No moneys may be encumbered from
6 this appropriation for any fiscal year in excess of the amounts encumbered from the
7 appropriation under par. (dt) for that fiscal year. No moneys may be encumbered
8 from this appropriation for any fiscal year if the amounts received under par. (dr)
9 during the previous fiscal year are equal to or greater than \$11,800,000.

10 **SECTION 2.** 20.395 (2) (dq) of the statutes, as affected by 1999 Wisconsin Act 9,
11 is repealed.

12 **SECTION 3.** 20.395 (2) (dr) of the statutes is created to read:

13 *20.395 (2) (dr) Aeronautical activities, state funds.* All moneys received from
14 taxes on air carrier companies under ch. 76, from aircraft registration fees under s.
15 114.20, from general aviation fuel taxes under **subch.** III of ch. 78 and from any other
16 tax or fee received from an aeronautical activity and deposited in the transportation
17 fund, except moneys appropriated under pars. (dv) and (dx) and sub. (4) (es), and all
18 moneys transferred under 1999 Wisconsin Act (this act), section 12 (1), for the
19 purposes of the state's share of airport projects under ss. 114.34 and 114.35; for
20 developing air marking and other air navigational facilities; for administration of the
21 powers and duties of the secretary of transportation under s. 114.31; for costs
22 associated with aeronautical activities under s. 114.31, except for the program under
23 s. 114.31 (3) (b); and for the administration of other aeronautical activities, except
24 aircraft registration under s. 114.20, authorized by law.

25 **SECTION 4.** 20.395 (2) (dt) of the statutes is created to read:

1 **20.395 (2) (dt) *Aeronautical activities supplement, state funds.*** A sum sufficient
2 in each fiscal year equal to one-half of the difference between \$11,800,000 and the
3 amounts received under par. (dr) during the preceding fiscal year, or equal to
4 \$1,650,000, whichever is less, for the purposes of the state's share of airport projects
5 under ss. 114.34 and 114.35; for developing air marking and other air navigational
6 facilities; for administration of the powers and duties of the secretary of
7 transportation under s. 114.31; for costs associated with aeronautical activities
8 under s. 114.31, except for the program under s. 114.31 (3) (b); and for the
9 administration of other aeronautical activities, except aircraft registration under s.
10 114.20, authorized by law. No moneys may be encumbered from this appropriation
11 for any fiscal year in excess of the amounts encumbered from the appropriation
12 under par. (dc) for that fiscal year. No moneys may be encumbered from this
13 appropriation for any fiscal year if the amounts received under par. (dr) during the
14 previous fiscal year are equal to or greater than \$11,800,000.

15 **SECTION 5.** 20.395 (4) (aq) of the statutes is amended to read:

16 **20.395 (4) (aq) *Departmental management and operations, state funds.*** The
17 amounts in the schedule for departmental planning and administrative activities
18 and the administration and management of departmental programs except those
19 programs under subs. (2) (bq), (cq) ~~and (dq), (dc), (dr) and (dt)~~ and (3) (iq), including
20 those activities in s. 85.07 and including not less than \$220,000 in each fiscal year
21 to reimburse the department of justice for legal services provided the department
22 under s. 165.25 (4) (a) and including activities related to the demand management
23 and ride-sharing program under s. 85.24 that are not funded from the appropriation
24 under sub. (1) (bs), (bv) or (bx), the minority civil engineer scholarship and loan
25 repayment incentive grant program under s. 85.107, the Type 1 motorcycle, moped

1 and motor bicycle safety program under s. 85.30 and to match federal funds for mass
2 transit planning.

3 SECTION 6. 20.395 (9) (rd) of the statutes is amended to read:

4 20.395 (9) (rd) *Airport construction major cost carry-over.* When an airport
5 development project is approved by the governor under s. 114.33 (3), the moneys
6 allocated for the project from sub. (2) ~~(dq)~~ (dc), (dr) and (dt) shall be considered
7 encumbered and carried-over to subsequent years to meet the state's share of the
8 project.

9 SECTION 7. 20.395 (9) (td) of the statutes, as affected by 1999 Wisconsin Act 9,
10 is amended to read:

11 20.395 (9) (td) *Real estate major cost carry-over.* Subject to s. 86.255, when a
12 highway, airport or railroad land acquisition project is approved by the secretary
13 under s. 84.09, 85.09 or 114.33, the moneys allocated for the project from subs. (2)
14 (bq), ~~(dq)~~ (dc), (dr), (dt) and (eq) and (3) (bq), (cq) and (eq) may be considered
15 encumbered.

16 SECTION 8. 70.11 (40) of the statutes is created to read:

17 70.11 (40) HUB TERMINAL FACILITY, (a) In this subsection:

18 1. "Air carrier company" means any person engaged in the business of
19 transportation in aircraft of persons or property for hire on regularly scheduled
20 flights. In this subdivision, "aircraft" has the meaning given in s. 76.02 (1).

21 2. "Hub terminal facility" means a facility at which an air carrier company
22 operated at least 45 common carrier departing flights each weekday in the prior year
23 and from which it transported passengers to at least 15 nonstop destinations or
24 transported cargo to nonstop destinations. In this subdivision, "nonstop destination"
25 means a nonstop destination as defined by rule by the department of revenue.

insert
4-16

① (b) Property owned by an air carrier company that operates a hub ~~terminal~~
2 facility in this state, if the property is used in the operation of the air carrier company.

3 **SECTION 9.** 76.02 (1) of the statutes is amended to read:

4 76.02 (1) "Air carrier company" means any person engaged in the business of
5 transportation in aircraft of persons or property for hire on regularly scheduled
6 flights, except an air carrier company whose property is exempt from taxation under
7 s. 70.11 (40) (b). In this subsection, "aircraft" means a completely equipped operating
8 unit, including spare flight equipment, used as a means of conveyance in air
9 commerce.

10 **SECTION 10.** 78.55 (1) of the statutes is amended to read:

11 78.55 (1) "Air carrier company" has the meaning given in s. ~~76.02 (1)~~ 70.11 (40)
12 (a) .

13 **SECTION 11. Nonstatutory provisions.**

14 (1) AIRPORT FINANCING COMMITTEE. There is created an airport financing
15 committee consisting of members appointed by the governor. The governor shall
16 appoint members representing the department of transportation, the department of
17 commerce, airport managers, airlines serving this state, the general aviation
18 community, the people of this state, and private businesses having an interest in
19 transportation policy and financing. The committee shall review and evaluate this
20 state's airport system needs and the current system of funding those needs and shall
21 recommend changes, if any, to better meet those needs. The committee shall
22 evaluate, among other things: aircraft registration fees; aviation fuel taxes and fees;
23 allocation of sales tax receipts from the sale of aircraft, parts and services to the
24 appropriation account under section 20.395 (2) (dr) of the statutes, as created by this
25 act, and allocation of other moneys to that appropriation account. The committee's

1 recommendations, if any, should, if enacted, generate revenue in amounts equal to
2 or greater than the sum of moneys appropriated for aeronautical activities in fiscal
3 year 2001. Not later than December 31, 2000, the committee shall submit a report
4 containing the committee's evaluation, findings and recommendations to the
5 governor, and to the legislature in the manner provided under section 13.172 (2) of
6 the statutes.

7 **SECTION 12. Appropriation changes.**

8 (1) The unencumbered balance of the appropriation to the department of
9 transportation under section 20.395 (2) (dq) of the statutes immediately before the
10 effective date of this subsection is transferred to the appropriation account under
11 section 20.395 (2) (dr) of the statutes, as created by this act.

12 **SECTION 13. Initial applicability.**

13 (1) ~~HUB TERMINAL FACILITY.~~ The treatment of sections 70.11 (40), 76.02 (1) and
14 78.55 (1) of the statutes first applies to the property tax assessments as of January
15 1, 2001.

16 (2) ~~REVENUES RECEIVED FROM AD VALOREM TAX ON AIR CARRIERS.~~ The treatment of
17 section 20.395 (2) (dr) of the statutes first applies to moneys received from taxes and
18 fees on July 1, 2003.

19 **SECTION 14. Effective dates.** This act takes effect on the day after publication,
20 except as follows:

21 (1) The treatment of section 20.395 (2) (dc), (dq), (dr) and (dt) of the statutes
22 and SECTION 12 (1) of this act take effect on July 1, 2003.

23 (END)



**ASSEMBLY AMENDMENT,
TO ASSEMBLY SUBSTITUTE AMENDMENT (LRBs0462/4),
TO 1999 ASSEMBLY BILL 801**

1 At the locations indicated, amend the substitute amendment as follows:

2 ✓ 1. Page 1, line 4: delete "with a hub terminal facility" and substitute "that
3 operates from a hub facility.

4 X 2. Page 1, line 7: delete the material beginning with that line and ending with
5 page 2, line 9.

6 X 3. Page 2, line 15: after "ch. 78" insert ", from sales and use taxes on
7 noncommercial aircraft as determined under s. 77.65".

8 X 4. Page 2, line 25: delete the material beginning with that line and ending with
9 page 3, line 14.

10 ✓ 5. Page 3, line 19: delete "~~and (de), (dc), (dr) and (dt)~~" and substitute "~~and (de)~~
11 (dr)".

1 ~~6. Page 4, line 6: delete "(dc), (dr) and (dt)" and substitute "(dr)".~~

2 ~~7. Page 4, line 14: delete "(dc), (dr), (dt)" and substitute "(dr)".~~

3 ~~8. Page 4, line 15: after that line insert:~~

4 ~~/'SECTION 7m. 25.40 (1) (cd) of the statutes is created to read:~~

5 ~~25.40 (1) (cd) Taxes on the sale and use of noncommercial aircraft under ch. 77~~

6 ~~as determined under s. 77.65."~~

7 **9. Page 4, line 17: delete lines 17 to 25 and substitute:**

8 **70.11 (40) HUB FACILITY.** (a) In this subsection:

9 1. "Air carrier company" means any person engaged in the business of

10 transportation in aircraft of persons or property for hire on regularly scheduled

11 flights. In this subdivision, "aircraft" has the meaning given in s. 76.02 (1).

12 2. "Hub facility" means any of the following:

13 a. A facility at an airport from which an air carrier company operated at least

14 45 common carrier departing flights each weekday in the prior year and from which

15 it transported passengers to at least 15 nonstop destinations, as defined by rule by

16 the department of revenue, or transported cargo to nonstop destinations, as defined

17 by rule by the department of revenue.

18 b. An airport or any combination of airports in this state from which an air

19 carrier company cumulatively operated at least 20 common carrier departing flights

20 each weekday in the prior year, if the air carrier company's headquarters, as defined

21 by rule by the department of revenue, is in this state.

insert
4-16

22 **10. Page 5, line 1: delete "terminal".**

23 **11. Page 5, line 9: after that line insert:**

24 **"SECTION 9m. 77.65 of the statutes is created to read:**

(end insert)

50506/1dn
PEN: KMG:

This substitute amendment is identical
to LRB 0462/4, as affected by items 1, 9, 10
and 12 of LRB 1992/2.

-PEN

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBs0506/1dn
PEN:kmg:jf

March 28, 2000

This substitute amendment is identical to LRBs0462/4, as affected by items 1, 9, 10 and 12 of LRBa1992/2.

Paul E. Nilsen
Legislative Attorney
Phone: (608) 261-6926